INFORMATION LETTER

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N.C.A. Activities Described at Pennsylvania Meeting

N.C.A. President George B. Morrill, Jr. and Executive Secretary Carlos Campbell appeared as guest speakers on the program of the 41st annual convention of the Pennsylvania Canners Association, November 21 at Harrisburg.

They were assigned special topics designed to fit in with the convention theme "From Research to Reality." As part of the research phase of the program Mr. Morrill spoke on "Those Blasted Canned Foods," describing the tests of samples exposed to the nuclear blast at the Nevada proving site last May 5. Mr. Morrill used the color slides and descriptions prepared by the N.C.A. Research Laboratory and Information Division, pointing up canned foods performance, in both tin and glass containers, as to relative freedom from physical damage, and radioactivity. He pointed out their normal retention of nutrients as evidenced by preliminary reports from the Wisconsin Alumni Research Foundation. The sum and total of Mr. Morrill's remarks was that "canned foods exposed to the atomic tests last spring remained wholesome and safe to eat."

Part of Mr. Campbell's speech em-

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N.C.A. Asked to Help in Drafting New Farm Legislation

N.C.A. Secretary Carlos Campbell was asked this week by Senator Ellender (La.), Chairman of the Senate Committee on Agriculture, to work with heads of the major farm organizations to develop an agricultural program for presentation to Congress in January.

Mr. Campbell was asked specifically for assistance in an effort to draft a definition of "quality and readily merchantable basic commodities" which might be eligible for mandatory price support at 90 percent of parity.

The major farm organizations designated by Chairman Ellender are the American Farm Bureau Federation, National Grange, National Milk Producers Federation, National Farmers Union, and the National Council of Farmer Cooperatives.

Chairman Ellender invited the heads of these organizations and the heads of other agricultural groups for a nonpartisan, non-political study of eight suggestions for inclusion in general farm legislation submitted to the Senate Committee during its recent hearings. The eight proposals include the extension of federal marketing order authority to fruits and vegetables for canning.

Following is the text of the letter

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NBC TV Network Shows Canned Foods from A-Test

The performance of canned foods in tin and glass packages after exposure to an atomic blast was highlighted on the National Broadcasting Company's 78-station TV network recently. The program was a sequel to the one presented April 25 at the Nevada test site preceding the test blast set off May 5 (see INFORMATION LETTER of May 7, page 204).

In the earlier program Dr. Edwin P. Laug of the Food and Drug Administration, who was director of the atomic food tests, appeared with Kit Kinne, food editor of the "Home Show." They discussed the aims and purposes of the tests and showed samples of actual canned foods to be exposed. N.B.C's intention was to bring the same packages back on the TV screen immediately following the blast to demonstrate how they withstood the results, but the several postponements delayed the test so long that the N.B.C. mobile studio had left the test site before May 5.

The recent program enabled the same two participants to reappear with exposed samples and comment on the "before" and "after" situation. Among the foods shown and discussed were a can of peas and a jar of baby food from the kitchen of a brick house at 4,700 feet distant from the shot tower, which had been recovered about four hours after the blast. In the comment it was developed that these items contained no radioactive fallout

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Statistical Abstract of the U. S. Again Utilizes N.C.A. Data

The 1955 *Statistical Abstract of the United States* has been published by the Bureau of the Census.

Published annually since 1878, this volume has become a standard source of reference for statistics on industrial, social, and economic activities of the United States. It contains a representative selection of data from most of the important statistical publications, both government and private.

This year, as in previous years, the Census Bureau obtained from the N.C.A. Division of Statistics data showing the annual production of canned fruits, vegetables, juices, and baby foods. A 10-year summary table showing production of these canned foods is included in the 1955 edition on page 820.

The 1955 volume also contains the following additional statistics concerning the canning and preserving industry: average hours and earnings, output per man-hour, persons employed, number of establishments, value added by manufacture, total salaries and wages paid by the industry, and per capita consumption of the major groups of canned foods.

Copies of the 1955 *Statistical Abstract* are available from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., or from any of the Commerce Department field offices at $3.50 a copy.

NBC TV Network

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and were not otherwise radioactive. Dr. Laug stated that this food could have been eaten immediately by survivors.

Using as props a number of the photographs prepared by the N.C.A. Laboratory and the Information Division to illustrate the tests, attention of the TV listeners was called to the various types of exposures and the reasons for same. Dr. Laug reported essentially no change in vitamin content as a result of the exposure. He also brought out that critically exposed drinks were safe for general consumption about two days after the blast, saying that "since there are usually large quantities of canned and bottled beverages in any city, these would serve immediately as a source of liquids—a lot safer than drinking water from reservoirs contaminated by fallout."

N.C.A. Asked To Help

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addressed to Mr. Campbell and the letter sent the major farm organizations that have been asked to cooperate:

Dear Mr. Campbell:

I am attaching hereto a copy of a letter that I have sent to the farm organizations indicated at the bottom thereof. You will note under item five a suggestion that your assistance would be solicited in an effort to obtain language to place in a proposed bill for defining readily merchantable basic commodities.

I realize the task is a difficult one, but I felt that those who handle and process these commodities should be consulted. With that in mind, it is my hope that you will immediately contact the heads of the farm organizations which I have named in the hope that all of you can get together and assist us in drafting legislation that will help to solve the farm problem.

Thanking you in advance, and hoping that you will give this matter your immediate attention, I am

Sincerely yours,
ALLEN J. ELLENDER,
Chairman

Following is the text of Senator Ellender's letter to the farm organizations:

The Agriculture and Forestry Committee of the Senate, of which I am Chairman, has just concluded extensive hearings on the farm situation at the grass roots, and I am happy to say that these hearings were very fruitful and conducted, I believe, in a manner that was more or less satisfactory to all parties concerned. All witnesses who asked to be heard were given attention, and an opportunity to present either a written or verbal statement. A mass of evidence was gathered, and it is my hope that the Committee will be in a position by early January to present a bill to the Senate for its consideration.

As you may recall, the House of Representatives enacted H.R. 12, providing for reinstatement of 90 per cent price supports, the details of which I am sure you are familiar with. The Senate Committee postponed action and instead proceeded to order the hearings to which I have just referred. Many suggestions were made as to how best to solve the problems confronting agriculture. The preponderance of evidence points to the necessity of finding some ways and means of disposing of some of our surplus commodities to the point where they will not be a drag on the market. Many witnesses have indicated that our agricultural production plant has grown too large, and that some method should be found to reduce its capacity by way of acreage reductions. Others have proposed a soil bank program to conserve and preserve the fertility of the soil, whereas others expounded on a two-price system, and many have suggested a continuation of price supports in some form or other. It is my belief that the preponderance of evidence would indicate that neither flexible nor rigid supports in themselves would do the job, and that some kind of program in addition to either of those methods is necessary.

May I earnestly suggest that the major farm organizations of our country put their heads together in the hope that agreement can be attained on some of the plans or solutions suggested to meet the present challenge to agriculture. There is no question but that many farmers are in a precarious financial situation, particularly those who have embarked in farming in recent years as a means of livelihood. The evidence disclosed that many veterans started out and have incurred many debts they are now unable to pay because of the sagging income that farmers now receive. Much evidence has been given us indicating that the small farmer is gradually being eliminated and is having to seek work in industry. The chief complaint, I find, has been the price squeeze wherein the farmer obtains less and less for what he produces and pays higher and higher prices for what he requires in his operations. He is not satisfied with the reduction of his share in the consumer dollar which is at an almost all-time low. As you may be aware, the farmers' share of the consumer dollar was, as of August, 1955, only 40 cents, in contrast to 52 cents in 1946.

A similar letter is being addressed to the farm organizations which I have indicated at the bottom of this letter, and may I suggest that as many leaders of your respective organizations as possible get together in the hope of at least getting unanimity on a program touching some or all of the following topics:

1. SURPLUS DISPOSAL

We have had for some time a program to dispose of some of our surpluses. There are laws now on the statute books providing for ways and means of selling, disposing and bartering our surplus commodities. An effort should be made to give us a plan whereby we can obtain a fair return on what we sell.

2. SOIL FERTILITY BANK

Some of the proposals submitted favor control of diverted acres, with or without rental payments or payments for conservation practices on diverted acres; while others favor a soil bank or conservation acreage reserve plan, under which the total agricultural plant would be reduced by the total number of acres in excess of that required to meet the demand for all crops. It is my belief that the consensus of opinion among the witnesses who testified is that some incentive should be provided to the farmers for setting aside a certain percentage of their acreage which would constitute the so-called soil bank. Suggestions have been made for graduated payments depending on the size of the farm and its location as well as the commodities that can be produced thereon.

3. TWO-PRICE PLANS

Suggestions were made that two-price plans be enacted for wheat, rice and cotton, with the accent on rice. It is my belief that the vast majority of the rice growers desire a two-price system. There was much divided opinion as to wheat as well as cotton. The Northwest, where practically all of the soft wheat for the production of flour for baking and cracker making is produced, has strongly suggested a two-price system. Your views as to whether or not it will be feasible to work out a plan whereby a two-price system could be provided for the Northwest wheat growers, with some provision to prevent the extra wheat being used for feed in any other place than in the Northwest, will be appreciated. Many suggested that a two-price system could be attempted on one crop so as to determine whether such a plan would work.

4. PRICE SUPPORTS

It is my belief that the majority of the witnesses who testified desire rigid price support of, say, 90 percent of parity on the basics, with emphasis on quality products as a basis for payment; in other words, on commodities such as cotton, rice, wheat, tobacco, corn and peanuts that are readily salable and merchantable. In

that connection may I suggest the feasibility of, say, rigid price support so as to encourage the production of desirable and salable basic commodities, and flexible supports on such of the basic commodities as do not meet the standard that may be proposed as herein suggested.

Another suggestion made as to price supports is that they should be on a graduated basis; that is, take care of the smaller farmers so as to encourage them to remain on the farm.

5. QUALITY COMMODITIES

As suggested in No. 4—a plan to encourage the development of quality and readily merchantable basic commodities, I realize the difficulties in drafting legislation to accomplish this purpose. In order to assist you, I am sending a copy of this letter to organizations representing grain dealers, millers, cotton ginners and manufacturers, canners and other processors in an effort to assist in drafting language to place in the bill.

6. MARKETING QUOTAS

Recommendations were made that allotments be put on a bushel, bale or pound basis; that they be put on a producer instead of an acreage basis; that allotments be given to cover all field crops instead of individual crops; and that moderate marketing penalties on a graduated basis be imposed on the first 25 percent of excess acreage, the proceeds of those penalties to be used for research.

7. MARKETING ORDERS

Extension of marketing order authority to fruits and vegetables for canning was requested. Authority to permit deductions for promotional programs under milk orders also was recommended.

8. DAIRY PRODUCTS

Various and sundry programs were offered to assist milk producers. Very few witnesses outside of the Minnesota, Wisconsin and Dakota area proposed price supports for dairy products above the present level. Most agreed that the marketing agreement and order provisions of the law should remain as they are. There was some support in the area just described, and in other sections of the country, for the so-called self-help program now pending before Congress.

I hesitate to write you such a lengthy letter, but I thought it was advisable to acquaint you with the thinking and the views of the witnesses who appeared before us. I am sure that I speak for the Committee as a whole when I say that if you men can get together and agree on some of the proposals that I have suggested above, it would be much appreciated and would, of course, be of great benefit to the Committee.

It is my hope that the problem will be studied on a non-partisan, non-political basis, and that the leaders of the various organizations will do their best to reach agreement on one or more of the proposals above stated, particularly with respect to surplus disposal (No. 1), a soil fertility bank (No. 2), and two-price plans (No. 3). Time is of the essence, and I urge you to contact each other at your earliest possible convenience so that you can get together and try to reach accord so that we can have the benefit of your views in the early part of January when Congress convenes.

Sincerely yours,

ALLEN J. ELLENDER,
Chairman

Similar letters to:

Mr. Charles B. Shuman, President, American Farm Bureau Federation, 2300 Merchandise Mart, Chicago 54, Illinois

Mr. Herschel Newsom, Master, National Grange, 744 Jackson Place, N. W., Washington 6, D. C.

Mr. R. S. Waltz, President, National Milk Producers Federation, 635 Elliott Avenue West, Seattle 99, Washington

Mr. John G. Patton, President, National Farmers Union, 1575 Sherman Street, Denver 3, Colorado

Mr. Homer L. Brinkley, Executive Vice-President, National Council of Farmer Cooperatives, 744 Jackson Place, N. W., Washington 6, D. C.

Pennsylvania Meeting

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braced the first findings of the current Cost-of-Handling study, being conducted under the aegis of the N.C.A. Consumer and Trade Relations program. Supporting his remarks, he showed a newsreel motion picture in which the principal actors were Chairman Wm. A. Free, Sr., of the C.&T.R. Committee, and Don White, marketing specialist retained to conduct the studies. Handouts publishing the highlight findings of the study and film were distributed to the audience.

The Information Division prepared and issued newspaper and radio-TV releases covering highlights of Mr. Morrill's remarks to 212 Pennsylvania newspapers, 161 radio-TV news directors in Pennsylvania, the canning trade journals, and national, state and local wire services.

The Information Division also arranged a radio interview with Mr. Morrill on the state network program conducted by Lou Doolittle over station WHYL direct from the Penn-Harris Hotel. In this interview the favorable behavior of canned foods under nuclear conditions was brought out and other questions about the major over-all contributions of the canning industry to public welfare were answered by Mr. Morrill and Nelson H. Budd, Director of the N.C.A. Information Division. This broadcast, which occupied nearly a half hour, was made November 21. On the following day, a three-way interview was conducted by John A. Smith, farm director of York's radio station WCMB, the principals being Jack R. Grey, secretary of the Pennsylvania Canners Association; Mr. Campbell for the N.C.A.; and another John Smith, York County agent. The general theme of the comments in this broadcast was the interdependence of canner and grower, the importance of canning to Pennsylvania's farm products, and the cultural and research activities on canning crops.

Consumer Service Division

The fall travel schedule of the N.C.A. Consumer Service Division has included the following trips:

The American School Food Service annual convention in Denver was attended by Gloria Hansen, Test Kitchen Home Economist.

At present Moselle Holberg, Assistant Director of the Division, is on a trip covering twelve cities in five southern states. Conferences will be held with newspaper and magazine food editors, television and radio communicators, school supervisors of homemaking, school lunch supervisors, nutritionists, dietitians and other food leaders.

Katherine R. Smith, Director of the Division, attended a Civil Defense Conference in Battle Creek, Mich., meetings of the annual Newspaper Food Editors Conference in Chicago, and the American Dietetic Association convention in St. Louis. Two trips to New York were included to attend meetings and confer with magazine food editors.

Pennsylvania Canners Assn.

The Pennsylvania Canners Association reelected its officers recently at the association's annual convention. They are:

President—George C. Lambert, Keystone Mushroom Co., Inc., Coatesville; vice presidents—John A. Hauser, The C. H. Musselman Co., Biglerville; J. B. Park, Brandywine Mushroom Corp., West Chester; and James M. Shriver, The B. F. Shriver Co., Westminster, Md.; and executive secretary—Jack R. Grey, York.

Utah Canners Association

The Utah Canners Association elected the following officers recently at the association's annual business meeting:

President—Angus G. Stevens, Stevens Canning Co., Ogden; vice president—William R. Eddington, Eddington Canning Co., Inc., Springville; and secretary-treasurer—Harvey F. Cahill, Ogden (reelected).

ICC Trip-lease Regulation

The Interstate Commerce Commission has again set March 1, 1956, as the effective date of its so-called trip-lease regulation (see INFORMATION LETTER of October 22, page 331).

1955 Pack of Peaches

The 1955 pack of canned peaches totaled 25,958,943 actual cases compared with the 1954 pack of 20,941,303 cases, according to a report by the N.C.A. Division of Statistics.

On the basis of standard cases of 24/2½'s, the 1955 pack amounted to 22,537,682 cases compared with 18,840,839 cases in 1954.

The 1955 pack includes 20,777,797 cases of cling peaches in California and other states.

State	1954	1955
	(actual cases)	
Michigan	330,975	313,608
Southeast	468,421	141,627
Wash. and Ore.	693,899	1,152,025
California	19,248,612	24,148,953
Other states	199,396	202,640
U. S. Total	20,941,303	25,958,943

In order to make the pack totals for 1955 comparable with those for previous years, peaches packed in 8Z cans are computed on the basis of 48 units per case and 303 cans are computed on the basis of 24 units per case.

Agricultural Situation

The agricultural situation now and the outlook for 1956 are described in a report by the Agricultural Marketing Service of USDA.

Domestic demand in general is expected to expand further in 1956. Foreign takings of U. S. farm products were improved in 1954-55 and the higher level will likely be maintained in 1955-56. In response to higher consumer incomes, USDA said, expenditures for food are expected to be larger but, as in recent years, the effect may be felt more on demand for services attached to processing and marketing of food than on the demand for products at the farm.

Prices of farm products in 1956 may average slightly below the average for 1955 but close to current levels. Livestock and livestock product prices are expected to average about at 1955 levels in view of prospects for a high level of demand next year. Crop prices probably will average lower, reflecting big supplies. Some reductions in price support levels could occur for rice, cotton and corn under provisions of present legislation. A lower price support for 1956 crop wheat has already been announced.

Cash receipts from farm marketings so far this year total 4 percent below a year earlier. Production costs are continuing high and realized net income of farm operators in 1955 may be 10 percent lower than in 1954. Some further decline in income is in prospect for 1956.

Farmers' production expenses may be a little lower in the coming year than in 1955. However, farm wage rates and prices for many industrial products purchased by farmers are increasing. Thus, the economic factors underlying the agricultural situation indicate some further lowering of returns from agriculture in 1956 in contrast to increasing incomes in the nonagricultural economy, according to the report.

Supplies of farm products will continue large in 1956, according to the USDA. Crop output this year, much of which will be marketed in 1956, may total 6 percent above 1954 and equal to the record of 1948.

Foreign takings of U. S. farm products increased 7 percent in value and 12 percent in volume in fiscal 1954-55. The improved level of exports should be maintained in 1955-56. Foreign countries in general are in an improved financial position and economic activity and world trade are at record levels. Furthermore, there are several government surplus sales programs designed to assist exports. However, an important factor which may limit foreign demand for U. S. exports is expanding supplies and increased competition from foreign countries. A large share of total exports will move under government programs.

The domestic market for food and other farm products is expected to continue high in 1956. Consumer incomes after taxes were at a record rate of $272 billion in the third quarter, about 7 percent above a year earlier, and prospective trends in economic activity point to still higher levels next year. Expenditures for food have risen in response to the rise in income and consumers continue to spend around a fourth of their income for food. But costs of distributing and processing food have also increased and the farmers' share of the retail food dollar in the third quarter was down 2 cents from a year earlier to a postwar low of 40 cents. Prospects for slightly higher average costs of processing and marketing in 1956, partly reflecting strong consumer demand for additional services, will tend to limit the effect of a further rise in income on the demand for farm products.

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation are reported by the N.C.A. Division of Statistics as follows:

	1954	1955
	(thousands of dozens)	
Canner stocks, Jan. 1	65,305	74,083
Pack, Jan.-Oct.	132,025	129,388
Supply	197,330	203,471
Canner stocks, Nov. 1	68,212	71,850
Canner shipments during Oct.	11,857	11,957
Canner shipments, Jan.-Oct.	129,118	131,621

Stocks of Canned Foods on Nov. 1 and October Shipments

Reports on canners' stocks and shipments of canned apples, applesauce, RSP cherries, corn and peas have been issued by the N.C.A. Division of Statistics, and detailed reports covering the November 1 stock and shipment situation have been mailed to all canners of these products.

	Carry-over month	Case basis	Total Supply 1954	Total Supply 1955	Canners Stocks, Nov. 1 1954	Canners Stocks, Nov. 1 1955	Season Shipments to Nov. 1 1954	Season Shipments to Nov. 1 1955
			(thousands of cases)					
Apples	Aug.	6/10	2,002	2,585	1,160	*1,751	842	834
Applesauce	Aug.	actual	9,612	9,470	6,709	6,247	2,903	3,223
RSP cherries	July	actual	3,253	5,027	1,781	2,694	1,472	2,333
Corn	Aug.	actual	41,906	34,530	32,081	25,104	9,825	9,426
Peas	June	actual	31,488	33,096	17,886	19,303	13,602	13,792

* Stocks consist of 1,836,050 actual cases, comprising 1,476,620 6/10's, 337,734 24/2's, and 21,696 cases of miscellaneous container sizes.

Business Indicators

The third quarter of 1955 continued to show the same high level of economic activity that was reflected for the first half. Total output of goods and services in the United States during the third quarter reached a record-breaking high, 9 percent above the corresponding quarter last year. More than half of this increase was the result of increased consumer expenditures reflecting confidence in a high and rising level of income and by willingness to increase debt. The remainder of the increase came from inventory accumulation and the increased capital investment by business.

The one flaw in the present optimistic picture is the trend of agricultural income and prices. The October index of agricultural prices declined another 2 percent from September and was 5 percent lower than a year earlier. With the decline in farm prices and the increase in production costs, the parity ratio of 82 on October 15 was the lowest since November, 1940. Farm receipts during the third quarter of 1955 were almost 5 percent less than during the third quarter of 1954.

The U. S. Department of Agriculture predicts little relief from the high costs of production for 1956 and, although feed prices may be less, wages, interest and taxes are expected to be higher. The statistical indicators of the business cycle continue to suggest a continued increase in business activity well into 1956. Employment is up approximately 4 percent at the present time from a year ago and unemployment is substantially less. Retail merchants are expecting the largest volume of Christmas trade on record and gross national product for 1955 is expected to reach an all-time peak, probably between 385 and 390 billion dollars, almost 7 percent above 1954. Businessmen and economists show remarkable agreement on the business outlook for 1956. If their expectations hold true, as they have for the past several years, total business activity will reach another new peak in 1956. Economists are much more optimistic about consumer spending than about other factors of the economy.

Industrial Production

The index of industrial production in the third quarter of 1955 reached another new high. Although building permits showed a decline in the third quarter, they were still higher than a year ago. Total industrial production in September was almost 12 percent above a year ago. The September index of production for manufactured food products was 8 percent above August and about 1 percent above a year ago. The production of canned and frozen foods was 8⅓ percent under the production in September, 1954. Production data for October and weekly figures for November continued at the record high levels of the third quarter. The following table shows the index of industrial production for September, 1955, compared with a month ago and a year ago:

Industrial Production (Unadjusted) (1947–49 = 100)	Sept. 1955	Change from Month ago	Change from Year ago
		(*percent*)	
Total industry	141	+1.4	+11.9
Manufactured food products	118	+8.3	+0.9
Canned and Frozen Foods	205	+3.5	−3.3

Employment

Total employment in September declined about 1 percent from August, but October figures indicate that it had risen again to the August level. The rise in total employment from mid-September to mid-October was more than the usual seasonal increase. Unemployment at the end of October stood at 2.1 million, essentially unchanged from September, and represented slightly more than 3 percent of the total civilian labor force. In September of 1954 unemployment represented 4.8 percent of the civilian labor force.

Employment in the canning and preserving industry was unchanged in September from August but almost 6 percent below a year ago, while total manufacturing employment was up about 6 percent. The September employment data, together with the percent change from a month ago and a year ago, follow:

Employment	Sept. 1955	Change from Month ago	Change from Year ago
	(*thousands*)	(*percent*)	
Total employment	64,733	−1.2	+4.2
Civilian labor force	68,882	−1.2	+2.5
Total manufacturing	16,925	+0.6	+6.0
Canning and Preserving Industry	327	0.0	−5.8

Sales and Inventories

All segments of business inventory increased in September over August and, according to preliminary estimates for October, continued to rise further. However, the ratio of sales to inventories has fluctuated within reasonable limits throughout 1955. The ratio of retail inventories to sales for the period January 1 to October 31 is estimated as 2.82 compared with 2.88 and 2.93 for the corresponding periods of 1954, respectively.

In October, retail sales increased 8 percent over a year ago, while inventories were 6 percent larger. In the table below an even greater difference is shown for September, when retail sales were up 12½ percent, but inventory was only 3 percent above a year ago. At this time the inventory situation seems to be in desirable balance with sales.

For the food and beverage manufacturing industry, September inventories were down slightly while sales for the month were up 7½ percent from a year ago. Retail food store inventories were up 3 percent above a year ago compared with an increase of almost 9 percent in sales.

Sales and Inventories (Unadjusted)	Sept. 1955	Change from Month ago	Change from Year ago
	(*billion dollars*)	(*percent*)	
Inventories:			
Total business	79.6	+0.9	+3.5
Manufacturing	44.2	+0.5	+3.6
Food and beverages	4.5	+3.1	−0.5
Wholesale, total	12.2	+2.4	+3.4
Retail, total	23.2	+0.6	+3.2
Food stores	2.4	+1.7	+3.0
Sales:			
Total business	55.4	+3.4	+16.9
Manufacturing	27.8	+1.3	+17.3
Food and beverages	4.5	+1.5	+7.6
Wholesale, total	10.8	+2.1	+11.7
Retail, total	15.9	+1.8	+12.5
Food stores	3.8	+4.4	+8.7

Prices

Wholesale prices of all commodities moved up slightly in September, about 0.5 percent. They stood at about 1.5 percent above a year ago. However, the wholesale prices of all foods were about 2 percent under a year ago. Consumer prices for all commodities advanced about 0.3 percent in September while the retail prices for foods advanced about 0.4 percent.

Both wholesale and retail prices of canned foods continued their gradual increase during the third quarter, reflecting the general improvement in supply-demand balance. However, in September the wholesale price index of canned fruits and juices was still about 1 percent under a year ago. The wholesale price index for canned vegetables and soups was about 2½ percent above a year ago, with most of the increase occurring in the month of September.

Retail prices of canned fruits and vegetables edged up slightly to about 105 percent of the 1947-49 average and now stand at about 0.2 percent

above a year ago, but were still almost 7 percent below the retail price index for all foods.

Later data for October reveal that the average of wholesale prices declined as lower prices were recorded for farm products and processed foods. Weekly data for November reveal that the index of wholesale prices for processed foods was still continuing to decline and for the first time had dropped below 100 percent of the 1947-49 average. The only other major group of commodities for which wholesale prices were below the 1947-49 average was farm products, which, at the middle of November stood at 85 percent of the 1947-49 average and the processed food index at 99 percent. Beginning in July, wholesale prices of processed foods have dropped sharply and have declined almost as sharply as farm prices during the July-November period.

Prices (1947-49 = 100)	Sept. 1955	Change from Month ago	Change from Year ago
		(percent)	
Wholesale:			
All commodities	111.6	+0.6	+1.5
All foods	101.5	+0.1	−2.1
Farm products	89.3	+1.4	−4.6
Fruits, fresh	115.0	+2.4	−10.9
Vegetables, fresh	92.9	+2.8	+11.9
Fruits and Juices, Canned	109.9	0.0	−0.9
Vegetables and Soups, Canned	106.5	+2.3	+2.6
Retail:			
All commodities	114.9	+0.3	+0.2
All foods	111.6	+0.4	−0.7
Canned Fruits and Vegetables	104.7	+0.6	+0.2

Income and Expenditures

The data reveal that disposable personal income during the third quarter increased 1.7 percent over the second quarter. However, personal consumption expenditures increased at a slightly greater rate, 2.2 percent. The net result was a decrease in savings, which at the end of the third quarter were still 5.8 percent of the total disposable income. A year ago, third quarter of 1954 savings were accumulating at the rate of 6½ percent of disposable income. Farm proprietors' income seasonally increased in September, 7 percent over August but still about 10 percent under September, 1954. On a per capita basis, disposable income seasonally adjusted rose about 1 percent between the second and third quarters. Net farm income in the third quarter was about 6 percent lower than the second quarter of this year, but 10 percent lower than the third quarter a year ago.

Income and Expenditures	3d Qtr. 1955	Change from 2d Qtr. 1955	Change from Year ago
	(billion dollars)	(percent)	
Disposable personal income	271.7	+1.7	+6.8
Personal consumption expenditures	256.0	+2.2	+7.6
Expenditures, nondurable goods	127.0	+1.4	+4.5
Personal net savings	15.7	−5.4	−5.4

Business Failures

Business failures in September, following the usual pattern for this season, declined about 7 percent and stood at the lowest level in a year. However, September failures were slightly above a year ago and more numerous than in any September since 1940. Later data show that October failures were up 12 percent above September and 6 percent above October a year ago. Failures for the first three weeks in November were also running slightly above a year ago. The October failure index was exceeded only once in the postwar period, in November, 1954.

Businesses in the first year of operation continued to predominate among failures, accounting for 61 percent of the total failures during the month of October. In recent months there has been an increase in failures in all industries and trade groups except wholesaling. The decline in wholesale failures was concentrated among food industries, whose toll dropped to the lowest since 1952 and the October rate was one-half the September rate. In the canning and preserving industry, the number of failures in the third quarter was down from the third quarter of a year ago, but the liabilities of these failures was more than double the liabilities for fewer failures a year ago. Recent figures for October failures indicate that manufacturing and retailing had the highest mortality rate since June, commercial services since January, and mortality in construction was the most severe in a year and a half.

	Sept. 1955	Change from Month ago	Change from Year ago
	(number)	(percent)	
Business Failures:			
All business	822	−7.4	+0.4
Manufacturing	167	+9.9	+10.6
Food and kindred products	10	+25.0	−23.1
Canning and Preserving*	5	+25.0	−37.5
	(thousand dollars)		
Current Liabilities:			
All business	38,120	−8.1	−9.0
Manufacturing	10,613	+10.3	+6.2
Food and kindred products	621	−54.0	−8.3
Canning and Preserving*	1,557	+551.5	+116.9

*3d Quarter

Food Container Shipments

Although the shipments of food containers, both steel and glass, declined seasonally in September, the shipments of metal containers were 12 percent above a year ago and glass container shipments 4 percent higher.

Food Container Shipments	Sept. 1955	Change from Month ago	Change from Year ago
		(percent)	
Metal cans (thousands of tons of steel)	511	−9.6	+11.6
Glass containers (thousands of gross)	11,421	−21.6	+4.3

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